



April 6, 2006

Dear Business and Property Owners or Managers,

The City of Redmond is undertaking a project focused on implementing and refining the neighborhood plan for Overlake, which was adopted in 1999. This project involves evaluating and planning for the adopted visions described for two areas of the Overlake Neighborhood: the Employment Area, located along the SR-520 corridor, and home to Microsoft, Nintendo and other companies, and the Shopping and Mixed-Use Area, bounded generally by 148th Avenue NE, SR 520 and Bel-Red Road, where Sears, Safeway and Group Health are located. These visions are detailed on the following page. In order to make the best use of time for people in the area, initial work on this project has focused on evaluating existing conditions and trends in Overlake. As part of this effort, we have held a number of small focus group meetings with people who work in the area, or own or manage property primarily in the shopping area, in an effort to begin to gain a better understanding of stakeholders' thoughts about the long-term objectives for the Overlake shopping area.

The comments and suggestions we have received from these meetings are invaluable in this process and we wanted to update you on what we have heard so far. Overall, we have received mostly positive responses to the long-term objectives for the Shopping and Mixed-Use Area though we have also heard concerns—these responses are summarized in the following pages of this letter. As you look at the summary, please let us know if you think anything is missing or if you have additional ideas.

We also wanted to take this opportunity to inform you of the next opportunity to participate in this process. On May 5th and 6th, the City will be hosting a design session at the Redmond Silver Cloud Inn in Overlake. During this two-day charrette, participants will have a hands-on opportunity to help build on the comments and suggestions provided to date and help guide the future of this important Redmond neighborhood. We hope that you can participate in this session and very much appreciate your time. More information and an invitation will be mailed to you shortly.

In the meantime, if you have any questions or concerns, please contact Lori Peckol at 425/556-2411 or lpeckol@redmond.gov or Jayme Jonas at 425/556-2496 or jjonas@redmond.gov.

Sincerely,

Lori Peckol
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Long-Term Visions for the Overlake Neighborhood

The Overlake Neighborhood Plan was updated and adopted in 1999. That update was informed by a citizens committee representing residents, businesses and other stakeholders in the neighborhood. Their work established the visions described below.

Employment Area - located along the SR-520 corridor, and home to Microsoft, Nintendo and other companies.

The Employment Area currently serves as a major corporate, advanced technology, and compatible manufacturing hub for Redmond and the region. It is envisioned to maintain its campus-like feel, with significant trees and tree clusters. Building heights are envisioned to be primarily mid-rise (up to 5 to 6 stories).



Shopping and Mixed-Use Area - bounded generally by 148th Avenue NE, SR 520 and Bel-Red Road, where Sears, Safeway and Group Health are located.

Long-term objectives for the Shopping and Mixed-Use Area are to evolve over the next 10-20 years or so to:

- Include a greater mix and density of uses
- Become a vibrant environment that continues to serve commercial needs for nearby areas
- Provide attractive and safe places to live close to shopping, restaurants, frequent transit service, and other amenities
- Create a comfortable environment for pedestrians, bicyclists, and transit riders
- Manage traffic and parking
- Improve connections to surrounding employers, developments, and neighborhoods



Any redevelopment would be initiated and undertaken by the property and/or building owners. Not much change is expected to occur in the short-term, but there could be greater potential over the long-term (10-20 years).

Long-Term Objectives for Both Areas include:

- Serve existing and future development through improved mobility choices including convenient, frequent transit and pedestrian walkways and bikeways
- Scale development intensity to fit with transportation capacity

**Summary of Comments from
Major Property Owners/Managers and Commercial Brokers and
Business Owners/Managers Primarily in the Overlake Shopping Area**

Business Demand

- Some businesses reported a bit of a decline during the general recession of the early 2000s. A majority of **businesses are growing** and project that the Microsoft expansion will facilitate further growth.
- Businesses that are based on convenience draw **customers** from a 3-5 mile range, whereas businesses that are more of a destination draw as much as half of their customer base from around the Eastside and Seattle. For many businesses, Microsoft employees and other office workers are the bulk of the customer base.
- Most businesses, with some exceptions, are slower on weekends and during the evenings, with lunch and early afternoon being the **busiest time**. Restaurant managers indicated that lunch customers are largely business employees from the immediate area, while dinner customers are families.
- Demand for **retail space** in Overlake is strong, particularly in the 1,500-10,000 square foot size. Rent for retail spaces is mid- to high-\$20/square foot range and the trend is for rents to increase. Tenants tend to stay; most shopping centers are 100% leased now. Typically, vacancies are filled in less than 2 months.
- **Future retail tenants** are projected to be more traditional and neighborhood-oriented than lifestyle (such as those in University Village). Some participants expect more businesses that cater to the international population in the area. One owner commented that the area population is getting more affluent and the potential for businesses that cater to this affluence exists. Some property owners commented that they expect demand for mixed-use/residential space.
- In terms of **office space**, interest in available space, including interest from start-up companies, is picking up. Microsoft is seen as the biggest competitor for office space in Overlake.

Business Environment

- The Overlake shopping area seems to be a **prime spot** for restaurants and services, most likely due to the large customer base on the Microsoft campus. Overall, the location is also good in terms of access for customers, although this can be negatively impacted by traffic conditions.
- Many see changes in the surrounding environment, especially in terms of **diversity of ethnicities**. There has been increased demand for ethnic stores/restaurants in the area, both for the presence of those businesses by customers and from potential business owners wanting to locate in the area.
- Some participants have concerns about the **small business environment** on the Eastside and in Redmond in particular. Other participants mentioned that a big issue is how the City treats

and thinks of small businesses. Some thought that one of the biggest issues is that rents in the area are high. There were additional concerns that as the area redevelops, rents will further increase, which may push out some of the current small businesses.

- **Traffic** is a problem and the pedestrian/bike environment is described as poor. Traffic on 148th Avenue NE was generally reported as the biggest concern, followed by difficulties on NE 24th Street. Traffic problems often create problems with accessing the various shopping centers. Lunchtime traffic is particularly troublesome.
- Most respondents felt that there currently isn't enough **parking in the Overlake shopping area**. Because a significant majority of customers drive to shopping and services in Overlake, adequate parking is necessary.
- A number of businesses reported **increased vandalism** in recent years. Of particular concern is that parking lot vandalism has been occurring during the daytime. Overall, there are more concerns about safety but police response is seen as adequate.
- The **Overlake name** doesn't necessarily register for people as Redmond, many think of it as Bellevue. There is a significant amount of confusion regarding the city boundaries in the Overlake/Bel-Red area. A few participants responded that the Bellevue image is more positive for business than Redmond because of difficulties with transportation access. One participant suggested that marketing of and signage in the area may help with name recognition and to change the negative perception. Improved signs welcoming people to Overlake might be a beneficial short-term improvement.

Shopping and Mixed-Use Area Long-Term Vision

- Two-thirds of the interview participants think the long-term **vision makes sense** for Overlake. Most saw benefits to more people living in the area, including providing an increased customer base for businesses and helping to provide more opportunities for current and future employees in the area to also live near work.
- Some participants expressed **general concerns with the overall vision**. Some thought that the area is currently too commercial to attract residents. Others questioned the validity of the vision given the current American "car-centric" culture. Most participants were concerned about disruption to business due to construction projects and noted that timely completion of projects is critical.
- In response to the idea of **mixed-use development**, some felt that combining residential, retail, and office in one area or building would be good for businesses, especially drop-in businesses, such as coffee shops, that perform better in good pedestrian environments. Others acknowledged that mixed-use can help get people out of their cars. Some were concerned that retail spaces in mixed-use developments typically seem too small and that the mix of businesses in some mixed-use projects is not always appropriate or similar to what is currently in Overlake.

- In response to the **housing component** of the long-term vision, many acknowledged that demand for medium- to high-density housing in mixed-use neighborhoods is growing and that the location of the Overlake area might make it more desirable although the current traffic problems might be a deterrent. Some suggested that more amenities, attractions or entertainment options in the area would likely be needed to attract residents.
- Some **benefits associated with adding residents** to the Shopping and Mixed-Use Area were identified by participants, including: creating more of a community feel; providing more customers, especially in the evening; getting people out of their cars, especially those who work and shop in the area; and helping with crime prevention. Others were concerned that added density might increase crime or congestion. Most participants prefer that housing is market-rate, although many were also concerned about the affordability for retail employees.
- Participants thought extension of **high capacity transit** (HCT) to Redmond could help businesses throughout the neighborhood hire and retain quality candidates. Others noted that HCT might be a convenient way for people to get around the area—from Microsoft to the Shopping and Mixed-Use Area, for example—and would especially help those who aren't currently mobile.
- **Suggestions for HCT** included that it should be as efficient as possible, and that station areas should be pleasant to help attract people. Some mentioned that there might be a negative perception of transit users by current customers. Other concerns included noise associated with HCT, impact of HCT alignment on vehicle access to shopping centers, and safety of cars and pedestrians near the HCT alignment. A few property owners mentioned concerns regarding the relative costs and benefits of HCT.
- Some noted that it would be important to connect/integrate future developments within the Overlake shopping area and vicinity. Others expressed **concerns** about access to buildings located closer to the street, questions about whether ground floor commercial works in every location, the potential for increased vandalism due to increased population, and the potential impact on business rents due to redevelopment. Many participants identified the traffic congestion in the area as a further challenge to achieving the long-term objectives of the vision for the Shopping and Mixed-Use Area.
- An overarching concern addressed the need for free and **convenient parking** in a mixed-use development. Many felt that buildings fronting sidewalks would be beneficial to business, but that parking, such as angled street parking, must be near by.
- Few property owners, even those who support the vision, expressed **interest in redeveloping their properties** in the near-term. Some commented that returns on their properties are good now and are not sure that redevelopment would pencil out. One property owner expressed interest in adding more retail space over the next 10 years to attract well-established tenants that might help draw more customers to existing stores.

Preliminary Summary of Comments from People Who Work in Overlake

Use of the Shopping and Mixed-Use Area

- A majority of employees interviewed from the Employment Area utilize the stores or services in the Shopping and Mixed-Use Area in some way. Most commonly, **employees visit the restaurants** in the area at lunch time. Fewer employees do their shopping there, although it is a prime shopping location for DigiPen Institute students because of its proximity.
- When asked to identify **retail, services or activities that are missing** in the Shopping and Mixed-Use Area, employees suggested: entertainment options such as a movie theater, billiards hall, or arcade; health services, such as small medical and dental offices; “mini-civic” outlets such as a library or police center; higher quality restaurants; independent coffee shops; bars; a teen center or babysitting service; hardware stores; and green or open space.
- The largest complaint about the Shopping and Mixed-Use Area is the **poor pedestrian and bicyclist environment**. Most commented that it does not feel safe to walk there. A second common complaint is the amount of traffic. Some also noted that parking can be difficult in the area. Many cited that better connections (transit, pedestrian, or bicycle) are needed between the Employment and Shopping and Mixed-Use Areas.

Shopping and Mixed-Use Area Long-Term Vision

- Overall, respondents had a **very positive response to the long-term objectives**, particularly the idea of mixed-use development with residential over retail. One commented that these steps would aid in bringing a more diverse community to Redmond. Others suggested that adding housing would be beneficial because it would help ensure that the area doesn’t “shut down” at 5:00 PM.
- A majority of participants thought that the area would be **attractive to potential residents** if it achieved its long-term objectives. Many identified that single person households, childless couples and empty-nesters are growing demographics that might be interested in higher-density housing in an urban environment. Many of the long-term objectives were described as positive attributes of living places, including: proximity to open space and amenities; convenient services and retail within walking distance; dense neighborhoods; proximity to transit options; proximity to work; and a walkable environment.
- Although a few participants thought that **adding housing** might add more traffic to streets that are already heavily congested, most acknowledged that making the area more pedestrian friendly and encouraging people to live close to work and shopping might help get people out of their cars.
- Most employees noted that for **HCT to be a viable transit option**, service would need to be frequent and connecting bus routes would need to be offered. In terms of frequency, many noted that transit is easiest to use when the schedule is simple and stops are every 10-15 minutes. Others suggested that HCT would be most useable if it ran all day and late into the evening and also if the area were more pedestrian friendly.